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OFFICE OF THE CHAIRMAN APR 1 3 1993

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

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Honorable John D. Dingell, Chairman Committee on Energy and Commerce House of Representatives 2125 Rayburn House Office Building Washington, D.C. 20515-6115

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Dear Chairman Dingell:

Thank you for your letter expressing concern that we properly interpret the Cable Television Consumer Protection and Competition Act of 1992 according to the language of the statute and traditional sources of legislative history.

As you know, the Commission has recently taken action to effectuate the Act's provisions regarding rate regulation, customer service, and program access, among several other provisions. In each case, the Commission endeavored to follow the plain language of the statute, as informed by any clear legislative record, and to effectuate its reading of Congressional intent based on its own judgement and expertise, in light of all comments received.

As you know, the Commission adopted rate regulations for cable systems on April 1, 1993, which, as a first step could mean total savings to consumers of about one billion dollars. The Commission has developed a benchmark formula for basic tier and cable programming service tier rates that will enable regulators to approximate what the competitive rates should be for a given cable system with particular characteristics, and to require a noncompetitive system to reduce its rates to this level or by ten percent, whichever is less. The formula apolies to

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M.S. House of Representatives Committee on Energy and Commerce Room 2125, Repturn House Office Building Washington, BC 20515-6115 1357

March 23, 1993

ALAN & ROTH, STAFF SIRESTON AND GREEF GOLDING

The Honorable James H. Quello Chairman Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Dear Mr. Chairman:

The Cable Television Consumer Protection and Competition Act of 1992 is one of the most important statements of federal communications policy enacted by Congress in years. Its provisions are the result of years of hearings and extensive deliberation to determine how best to protect consumers against monopolistic abuse, enhance competition, and promote the development of diverse sources of programming.

Based on the Committee's record, it was clear that fundamental adjustments to then-existing law were required in order to provide consumers with much needed protection against unreasonable price increases in cable service and against the substandard, unacceptably poor service to customers that occurred too regularly throughout the industry. It was also clear that Congress had to act to promote the availability to consumers of more choice in their selection of video programming -- both from cable operators and their competitors.

The Act reflects a carefully crafted and balanced effort to achieve these objectives.

The Commission is now engaged in several important proceedings to establish regulations to implement the requirements of the Act. The Commission has developed a voluminous record based on the filings of numerous commentors, all urging the Commission to take particular actions in promulgating its implementing regulations. In most cases, these recommendations are supported with purported explanations of Congressional intent.

The Commission must, of course, consider the comments of these parties carefully. However, I am extremely concerned that the Commission look for its principal direction and guidance to the

The Honorable James H. Quello March 23, 1993 Page 2

express provisions of the Act itself. The policy goals and objectives that are set forth clearly within the "four corners" of the Act reflect the truest expression of Congressional intent. Although Congress anticipates that the Commission will exercise its discretion under the Act based upon its own expertise and judgment, the language of the Act itself provides the most persuasive source of guidance by which the Commission must construe and implement the new cable policy. If additional guidance is needed, traditional sources of legislative history, including the Statement of Managers and the floor statements of key Members of the House and Senate supporting the legislation, should be consulted.

I urge you and your fellow Commissioners to refrain from succumbing to political pressures -- from any party interested in these proceedings -- to diverge from the clearly articulated provisions of the statute as you adopt regulations to implement this new law.

I ask that a copy of this letter be provided to each of the Commissioners, and that copies be inserted into the public record of all appropriate dockets.

JOHN D. DINGELL

CHAIRMAN